

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1732 - SB 2135

February 23, 2016

SUMMARY OF BILL: Requires each location used by a scrap metal dealer to pay a biennial fee of \$500, accompanying such location's application for licensure or renewal of a license.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – \$71,500/One-Time

Assumptions:

- Pursuant to Tenn. Code Ann. § 62-9-102(a), scrap metal dealers are required to register each location before engaging in the scrap metal business in the state. All registrations are set to expire two years from the date of the registration or the renewal of the registration.
- Pursuant to Tenn. Code Ann. § 55-3-202(i)(1), each motor vehicle dismantler and recycler is required to pay a biennial fee of \$500, accompanying such businesses' application for licensure or renewal of a license. All fee collections, less any collections used to offset any expenses associated with the collection and processing of such payments by the Tennessee Motor Vehicle Commission (MVC), are to be transferred to the General Fund for the implementation and administration of the reporting systems.
- Pursuant to Tenn. Code Ann. § 55-3-202(i)(2), the biennial fee of \$500 will only be imposed until June 30, 2017.
- The proposed legislation adds each location used by a scrap metal dealer to the list of entities subject to the fee.
- It is estimated that there are 286 scrap metal licensees in the state. Half of those, or 143 licensees, will renew their licenses in FY16-17, and will be required to pay the \$500 fee. The other half will renew their licenses in FY17-18 and will not be subject to the fee.
- The increase in state revenue to the General Fund in FY16-17 is estimated to be \$71,500 (143 x \$500).
- Any increase in expenditures to the MVC associated with the collection and processing of such payments is estimated to be not significant and can be accommodated within existing resources of the MVC and the Department of Commerce and Insurance.
- The imposition of the additional fee will not result in a significant decrease in the number of scrap metal dealer locations that will seek licensure or renewal of a license.

IMPACT TO COMMERCE:

Increase Business Expenses – \$71,500/One-Time

Assumptions:

- One hundred forty three scrap metal dealer licensees will pay the additional \$500 fee in FY16-17, for a one-time increase in business expenses of \$71,500 (143 x \$500).
- Any other impact to commerce, and any change to the number of Tennessee jobs, is estimated to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

/bos